

TAMA TOLEDO FAMILY AQUATIC CENTER

Independent Auditors' Reports
Financial Statement
Schedule of Findings

December 31, 2015

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TAMA TOLEDO FAMILY AQUATIC CENTER

Officials

<u>Name</u>	<u>Title</u>	<u>Representing</u>
Shayna Zmolek	Member	City of Tama
Adam Anderson	Member	City of Tama
Cletus Miller	Member	City of Tama
Teri Goodhart (resigned 10/19/15)	Member	City of Toledo
Mike Thede (appointed 12/15/15)	Member	City of Toledo
Jamie Upah	Member	City of Toledo
Jan Boll	Member	City of Toledo
Judy Welch	Bookkeeper	City of Tama
Dan Rathjen	Attorney	



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Independent Auditors' Report

To the Members of the
Tama Toledo Family Aquatic Center:

Report on the Financial Statement

We have audited the accompanying financial statement of the Tama Toledo Family Aquatic Center as of and for the year ended December 31, 2015, and the related Notes to Financial Statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1. This includes determining the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

As permitted by the Code of Iowa, the accounting records of the entity have not been audited for all prior years. Accordingly, we were unable to satisfy ourselves as to the total cash fund balance at January 1, 2015.

Opinion

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to verify the cash fund balance at January 1, 2015, as discussed in the preceding paragraph, the financial statement referred to above presents fairly, in all material respects, the cash basis financial position of the Tama Toledo Family Aquatic Center as of December 31, 2015, and the changes in its cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

As described in Note 1, the financial statement was prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 27, 2016 on our consideration of the Tama Toledo Family Aquatic Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Tama Toledo Family Aquatic Center's internal control over financial reporting and compliance.

Bowman and Miller, P.C.

Marshalltown, Iowa
January 27, 2016

TAMA TOLEDO FAMILY AQUATIC CENTER
Statement of Cash Receipts, Disbursements and
Changes in Cash Balance
As of and for the year ended December 31, 2015

Operating receipts:	
City contributions	\$ 108,000
Daily admission	27,301
Season passes	24,810
Parties	3,350
Water classes	7,767
Food sales	23,446
Miscellaneous	1,761
Total receipts	<u>196,435</u>
Operating disbursements:	
Chemicals	20,138
Supplies	17,040
Training	332
Utilities	32,985
Insurance	11,295
Professional fees	126
Equipment purchases	5,998
Repairs and maintenance	14,730
Sales tax	4,096
Uniforms	1,473
Salaries and wages	88,038
Payroll taxes	6,735
Miscellaneous	3,205
Total operating disbursements	<u>206,191</u>
Change in cash balance	(9,756)
Cash balance beginning of year	76,157
Cash balance end of year	<u>\$ 66,401</u>
Cash Basis Fund Balance	
Unrestricted	<u>\$ 66,401</u>

TAMA TOLEDO FAMILY AQUATIC CENTER

Notes to Financial Statement

December 31, 2015

Note 1 – Summary of Significant Accounting Policies

The Tama Toledo Family Aquatic Center is a voluntary joint undertaking of the City of Tama, Iowa and the City of Toledo, Iowa as authorized by Chapter 28E of the Code of Iowa. The purpose of the entity is to run the aquatic center for the Tama/Toledo area.

The governing body of the entity is comprised of three representatives from the City of Tama and three representatives from the City of Toledo. Each member has one vote.

A. Reporting Entity

For financial reporting purposes, the Tama Toledo Family Aquatic Center has included all funds, organizations, agencies, boards, commissions and authorities. The entity has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the entity are such that exclusion would cause the entity's financial statement to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the entity to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the entity. The entity has no component units which meet the Governmental Accounting Standards Board criteria.

B. Basis of Presentation

The accounts of the entity are organized as an Enterprise Fund. Enterprise Funds are utilized to finance and account for the acquisition, operation and maintenance of governmental facilities and services supported by user charges.

Enterprise Funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an Enterprise Fund's principal ongoing operations. All receipts and disbursements generally result from providing services and producing and delivering goods in connection with an Enterprise's Funds principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

C. Basis of Accounting

The entity maintains its financial records on the basis of cash receipts and disbursements and the financial statement of the entity is prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statement does not present the financial position and results of operations of the entity in accordance with U.S. generally accepted accounting principles.

TAMA TOLEDO FAMILY AQUATIC CENTER
Notes to Financial Statement (Continued)
December 31, 2015

Note 2 – Cash and Investments

The entity's deposits in banks at December 31, 2015 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The entity is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the entity; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The entity had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3, as amended by Statement No. 40.

Note 3 – Risk Management

The Tama Toledo Family Aquatic Center is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The entity assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 4 – Related Party Transactions

The entity had business transactions between the entity and an entity official totaling \$800 during the year ended December 31, 2015.

Note 5 – Date of Management Evaluation

The entity has evaluated subsequent events through January 27, 2016, the date which the financial statement was available to be issued.



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Independent Auditors' Report on Internal Control
over Financial Reporting and on Compliance and Other Matters
Based on an Audit of a Financial Statement Performed in Accordance with
Government Auditing Standards

To the Members of the
Tama Toledo Family Aquatic Center:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statement of the Tama Toledo Family Aquatic Center as of and for the year ended December 31, 2015, and the related Notes to Financial Statement, and have issued our report thereon dated January 27, 2016. Our report expressed an unmodified opinion on the financial statement which was prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Tama Toledo Family Aquatic Center's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Tama Toledo Family Aquatic Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tama Toledo Family Aquatic Center's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Tama Toledo Family Aquatic Center's financial statement will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As a part of obtaining reasonable assurance about whether the Tama Toledo Family Aquatic Center's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the entity's operations for the year ended December 31, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statement of the entity. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Tama Toledo Family Aquatic Center's Responses to the Findings

The Tama Toledo Family Aquatic Center's responses to findings identified in our audit are described in the accompanying Schedule of Findings. The Tama Toledo Family Aquatic Center's responses were not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Tama Toledo Family Aquatic Center during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Bowman and Miller, P.C.

Marshalltown, Iowa
January 27, 2016

TAMA TOLEDO FAMILY AQUATIC CENTER
Schedule of Findings
Year ended December 31, 2015

Findings Related to the Financial Statement:

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Other Findings Related to Required Statutory Reporting:

- (1) Questionable Disbursements – No disbursements we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- (2) Travel Expense – No disbursements of the entity's money for travel expenses of spouses of entity officials or employees were noted.
- (3) Entity Minutes – No transactions were found that we believe should have been approved in the entity's minutes but were not.

Although entity proceedings were published, the summary of proceedings for one meeting was published more than twenty days after the meeting as required by Chapter 28E.6 of the Code of Iowa.

Recommendation – The entity should ensure the summary of the proceedings should be submitted for publication within twenty days following adjournment of the meeting.

Response – We will publish minutes in a timely manner.

Conclusion – Response accepted.

- (4) Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the entity's investment policy were noted.
- (5) Business Transactions – Business transactions between the Tama Toledo Family Aquatic Center and Tama Toledo Family Aquatic Center officials or employees are detailed as follows:

<u>Name, Title, and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Jamie Upah, Board Member, Swimming lesson coordinator	Set up Red Cross swimming lessons	<u>\$800</u>

In accordance with Chapter 362.5(3)(j) of the Code of Iowa, the transactions with Jamie Upah do not appear to represent a conflict of interest since the total transactions were less than \$1,500 during the fiscal year.

TAMA TOLEDO FAMILY AQUATIC CENTER

Staff

This audit was performed by:

Bowman and Miller, P.C.
Certified Public Accountants
Marshalltown, IA 50158

Personnel:

Elizabeth A. Miller, C.P.A., Partner
Taylor G. Johnson, C.P.A., Staff